

Are Your Drivers Qualified?

Best Practices for Driving Responsibly

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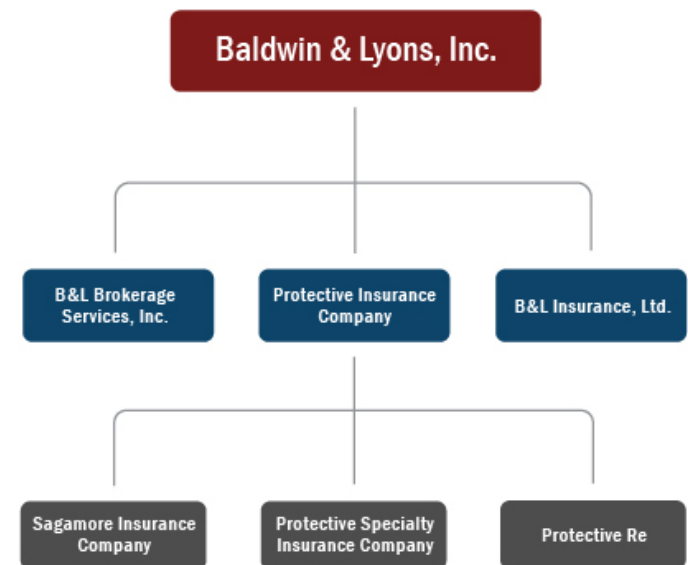
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About Baldwin & Lyons, Inc.

Founded in 1930, Baldwin & Lyons specializes in marketing and underwriting liability insurance for the transportation industry and multi-line workers' compensation

Our niche is:

- LTL/TL trucking, package handling and public transportation
- Workers' Compensation insurance
- Learn more at www.baldwinandlyons.com



Presentation Outline

- Fleets & Motor Carriers vs. All Other Business
- Regulated vs. Non-Regulated Fleets
- Minimum Loss Prevention Standards
- Driver Qualification File
- New Driver Revaluation
- Corporate Safety Management
- Distracted Driving Policy in Place?
- Post Collision Interviews
- Telematics and On-Board Safety Electronics
- Vehicle Maintenance
- Prepare Yourself

Regulatory Compliance

Your Company Culture



Your Insurance Company



Fleets & Motor Carriers vs. All Other Business

- Large fleets, small fleets, car fleets, service vehicle fleets, regulated fleets, non-regulated fleets
 - All have potential for a loss
 - Bigger vehicle = bigger loss potential?
 - Punitive damages are volatile
 - Negligent hiring
 - Negligent entrustment
 - Negligent supervision
 - Negligent retention



Fleets & Motor Carriers vs. All Other Business

- Artisan and company car fleets may not have a safety director
- OSHA Safety Director vs. DOT Safety Director
- Hire as a driver, not just a worker
- Vehicle crashes are top on OSHA workplace injuries
- Driving personal vehicle has same consequences
 - Contingent liability can follow to company
 - Have some qualifications and training as if driving company owned vehicle
- Can family members drive company cars?

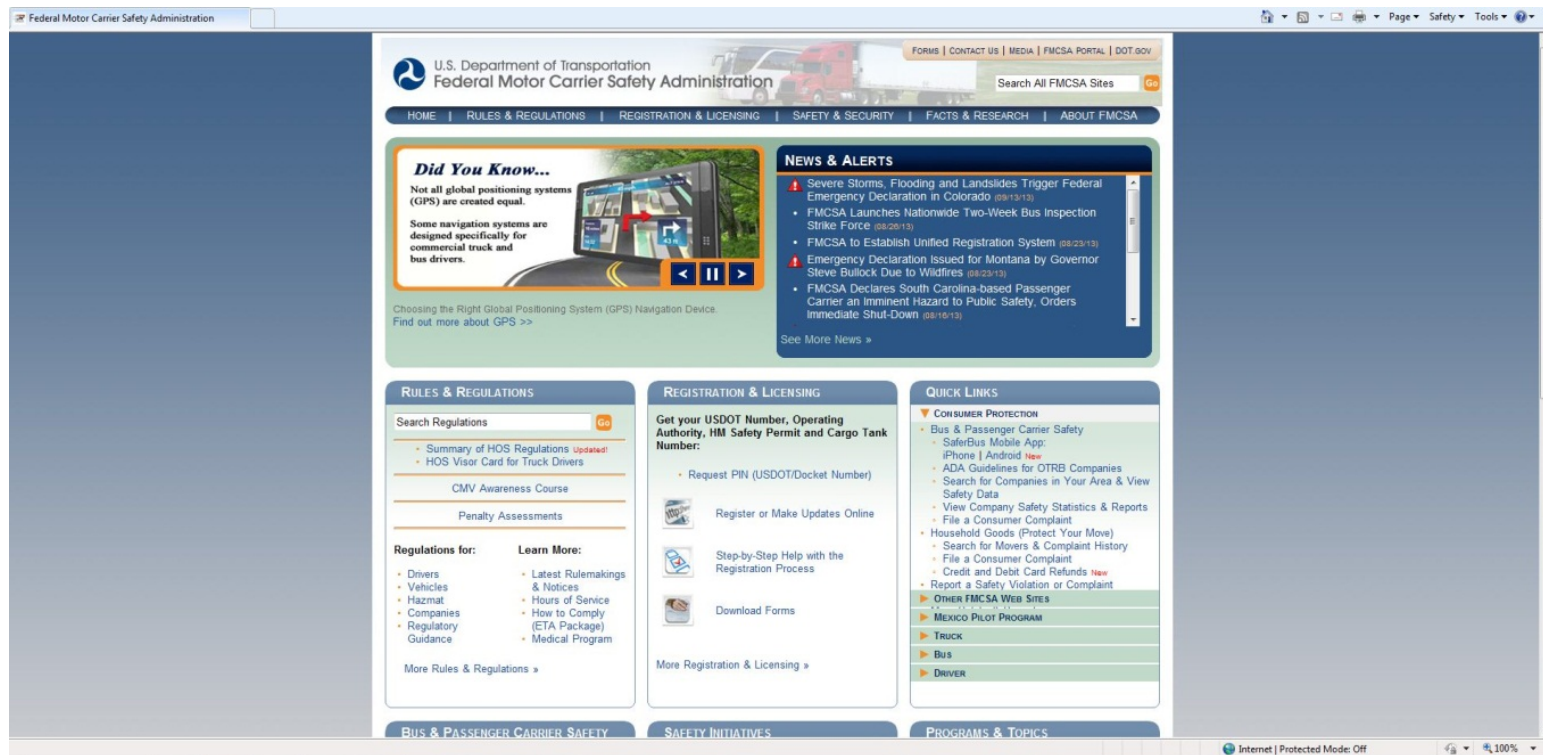
Regulated vs. Non-Regulated Fleets

- Is there a difference?
- DOT regulated vehicles:
 - Gross weight or rating, including combination of 10,001 lbs or more
 - Designed/used to transport 8 passengers—including driver—for compensation
 - Designed/used to transport 15 passengers—including driver—not for compensation
 - Transporting placarded amount of hazardous materials—regardless of vehicle size
 - Do not confuse this with CDL requirements:
 - Of over 26,001 pounds (single or combination)
 - 16 or more passengers including driver
 - Placarded amount of hazmats



Regulated vs. Non-Regulated Fleets

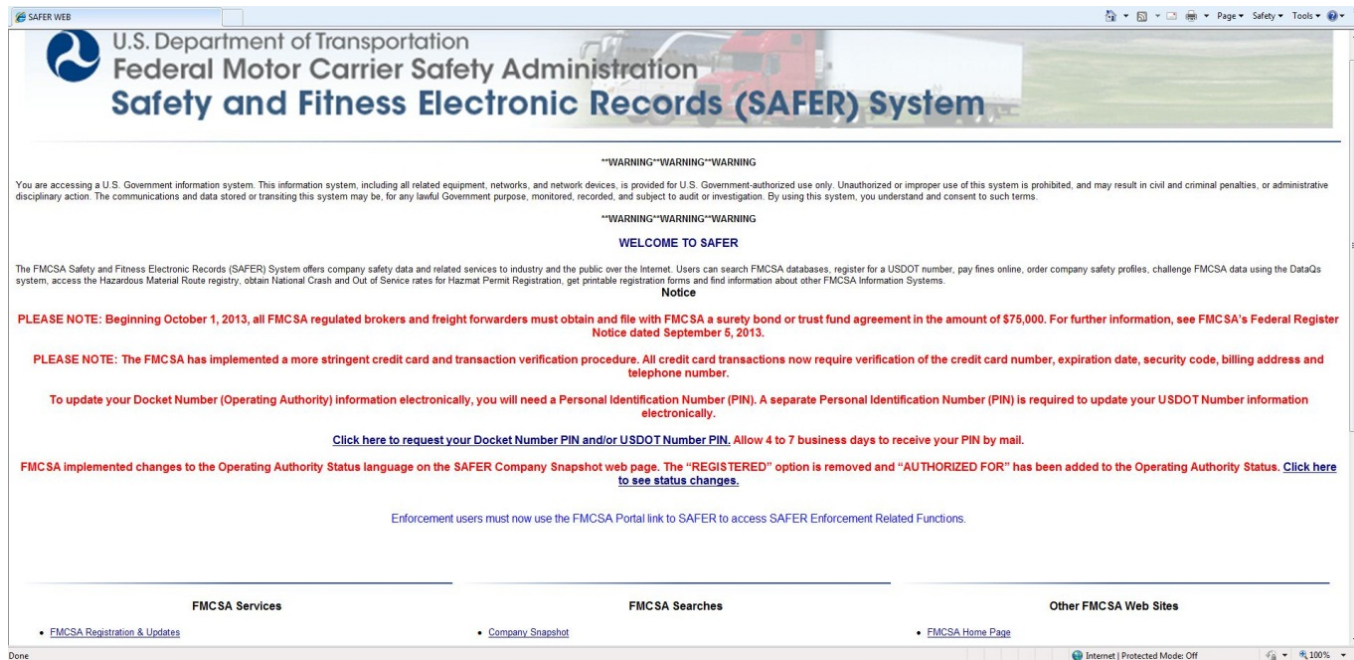
- Federal Motor Carrier Safety Administration website: www.fmcsa.dot.gov



Regulated vs. Non-Regulated Fleets

- Safety and Fitness Electronic Records (SAFER) System:

<http://safer.fmcsa.dot.gov/CompanySnapshot.aspx>



Regulated vs. Non-Regulated Fleets

- SMS-Safety Management System
 - Behavior Analysis and Safety Improvement Categories- BASICS
 - Unsafe Driving BASIC
 - Hours of Service Compliance BASIC
 - Driver Fitness BASIC
 - Controlled Substance and Alcohol BASIC
 - Vehicle Maintenance BASIC
 - Hazmat Compliance BASIC- Not public
 - Crash Indicator- Not public but has listing of all DOT recordable accidents

Regulated vs. Non-Regulated Fleets

- Does compliance to DOT/FMCSA make a safety program?



Minimum Loss Prevention Standards

- Include personal use stipulations and restrictions
- Minimum driver eligibility:
 - Age
 - Driving experience on similar equipment
 - Student drivers & driver advancement
 - Entry Level Driver Training- FMCSR Part 380.503
 - Driver qualification, disqualification, medical requirements and responsibilities
 - Hours of Service
 - Driver wellness — health maintenance, exercise, diets, alcohol abuse
 - Whistle blower protection
 - This is not a driver training program
 - CDL school not adequate
 - Need driver finishing program based on the equipment you expect them to drive
 - MVR & Past collisions
- Never permit deviation



Driver Qualification File

- DOT application is different
- Review each document in the driver file on its own merit *and* as a whole
- Work history verification
 - DOT — show multiple attempts to obtain
 - Artisan jobs — document driving performance in addition to job performance
 - Obtain prior to hire versus FMCSR

Driver Qualification File

- MVR
 - Obtain for:
 - Current license
 - Any license held in past 36 months at least
 - Annually
 - Post collision — frequently neglected
 - Reasonable suspicion
 - Receive prior to first driving assignment
- Copy of license
 - Required for regulated carriers
 - Privacy and security issue for non-regulated carriers?

Driver Qualification File

- Road examinations
 - Company and personal vehicles
 - On equipment similar to what they will be driving
 - Administer in evening and bad weather
 - Perform commentary
 - Vehicle inspection
 - Driving performance
 - Use a certified trainer
 - Include company collision trends
 - Check rides every two years – at least
 - Observe entering & exiting = 3 point system (large vehicles)

Driver Qualification File

- Written examinations
 - Cover orientation topics
 - No trick questions
 - Review incorrect responses
 - Use as an evaluation of the trainer
- Physical examinations
 - Use company selected physicians
 - Must follow DOT requirements (if regulated)
 - If using non-company physicians- verify the exam
 - Regulated carriers are responsible for exam results



Driver Qualification File

- Drug and alcohol screens needed?
 - Keep regulated and non-regulated drivers in separate random pools
 - Post collision
 - Have a nationwide program established
 - Document time constraint non-compliance
 - Reasonable suspicion
 - Have multiple trained observers on each shift
 - Do not let worker drive to test sight
 - Hair follicle test?

New Driver Revaluation

- 30, 60, 90, 180 days
- Review
 - CSA compliance
 - Hours-of-service compliance
 - MVR
 - Operations compliance
 - Re-road test, including vehicle inspections
 - Telematics reports
 - Fatigue
 - Distracted driving
 - Customer feedback

Corporate Safety Management

- Safety meetings
 - Have regular meetings – make sure it includes driving safety
 - Include drivers and:
 - Management
 - Dispatch
 - Maintenance
 - Sales
 - Other departments?
- Safety director should attend driver oriented safety conferences
- Safety dispatch lock-out program
 - Any department can lock out
 - Only safety can unlock

Distracted Driving Policy In Place?

- Best policy is no use of cell phone while driving
- Hands free is not the answer



Post Collision Interviews

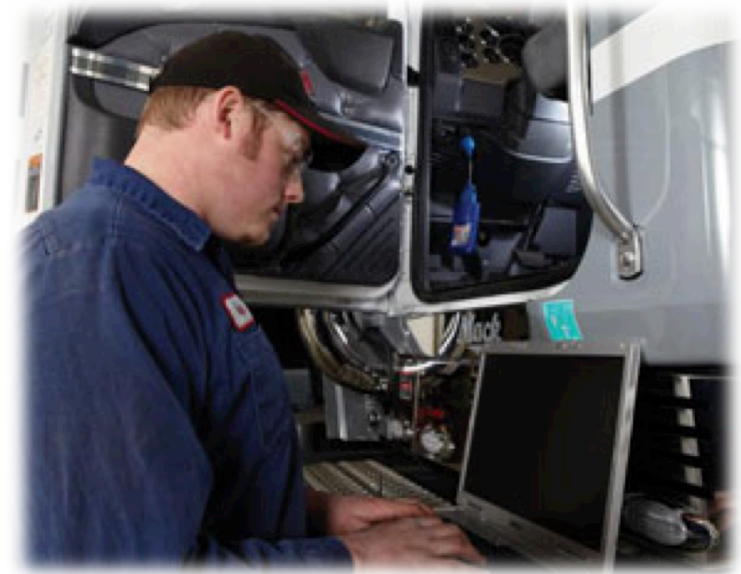
- Determine root cause factors
- Provide retraining and coaching
- Conduct new road examination

Defensive Driving Programs

- National Safety Council
 - Professional Truck Driver
 - DDC (car and utility vehicles)
 - Instructor
 - On-line
 - Smith System
 - Company developed

Telematics and On-Board Safety Electronics

- Being used as a dispatch/locator system?
- Used to monitor and correct driver safe behavior performance?



Prepare Yourself

- Use A.M. Best Underwriting and Loss Control Guides
- Different Fleets have Different Exposures
- Audit your program as if you were:
 - Safety director
 - DOT compliance officer
 - Insurance company
 - Company CEO or owner
 - Plaintiff attorney
 - Person purchasing the company
 - Personal insurer of the company at all levels



Questions & Comments?

Thank You!

And

Please Use & Share What You Have Learned

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